

2009 City of Detroit – Charter Revision Commission Package
For Tuesday, May 25, 2010 @ 6:00 p.m.
Motor City Blight Busters
17405 Lahser Detroit, Michigan 48219
(Northwest Detroit)

Agenda and Informational Package

- I. Call to Order (6:00 P.M.)
- II. Roll Call
- III. Approval of the Minutes
- IV. Approval of Agenda
- VI. Substantive Charter Review, Presentation regarding:

The Benefits of Creating an Office of the Inspector General

Ronald Goldstock, (Cornell University (A.B. 1966) and Harvard Law School (J.D. 1969)), Consultant, Independent Private-Sector Inspector General (IPSIG),
Served as Inspector General of the U.S. Department of Labor, Director of the Cornell Institute on Organized Crime, and Chief of the Rackets Bureau in the New York County District Attorney's office.

Commission Questions and Answers

Public Questions on the Presentation

- VII. Report of the Chair
- VIII. Report of the Vice Chair
- IX. Reports from Executive Director and/or General Counsel (7:20 P.M.)
- X. Committee Reports (7:30 P.M.)
 - (a) Office Committee (no report)
 - (b) Personnel Committee (Update on AA process)
 - (c) Rules and Structure Committee (no report)
 - (d) Budget Committee (no report)
- XI. Public Comments (2 minutes per person) (7:45 P.M.)
- XI. Unfinished Business
- XII. New Business
- XIII. Adjournment (8:30 P.M.)

Meeting Schedule for the Month (May /June, 2010)

Tuesday, May 25, 2010 @ 6:00 p.m.
Motor City Blight Busters
17405 Lahser
Detroit, Michigan 48219
(Northwest Detroit)

Tuesday, June 8, 2010 @ 6:00 p.m.
Detroit Regional Chamber of Commerce
1 Woodward Avenue
19th Floor Conference Room
Detroit, Michigan 48226
(Downtown Detroit)

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313-628-2524 (volunteer line)

Attachments:

Substantive Charter Review, Presentation regarding:

The Benefits of Creating an Office of the Inspector General

Ronald Goldstock, Esq.

**Cornell University (A.B. 1966) and Harvard Law School (J.D. 1969),
Consultant, Independent Private-Sector Inspector General (IPSIG)**

RONALD GOLDSTOCK

Ronald Goldstock served for thirteen years as Director of the New York State Organized Crime Task Force. He currently teaches law and serves as a consultant providing Independent Private-Sector Inspector General (IPSIG), expert witness, and investigative services for corporate, union, and individual clients. He is the New York State Commissioner of the Waterfront Commission of New York Harbor.

Under his leadership, the Organized Crime Task Force became a model agency for the control of organized and white collar crime, playing critical roles in the *Cosa Nostra* Commission, Lucchese and Gambino Family prosecutions, Cali Cartel drug and money laundering cases, and producing highly acclaimed analytic reports on corruption and racketeering in the construction and carting industries. As Director of the Task Force, Mr. Goldstock designed and developed the IPSIG Program.

Mr. Goldstock, a graduate of Cornell University (A.B. 1966) and Harvard Law School (J.D. 1969), has served as Inspector General of the U.S. Department of Labor, Director of the Cornell Institute on Organized Crime, and Chief of the Rackets Bureau in the New York County District Attorney's office. He is currently on the faculties of the Cornell, Columbia and New York University Law Schools and, in the past, has taught in the undergraduate, graduate, and law schools of other colleges and universities.

Mr. Goldstock is a Past Chair and current Budget Director of the ABA Criminal Justice Section. He was Past Co-chair of the CJS Special ABA Ethics 2000 Committee, Chair of the ABA Criminal Justice Standards Committee and served as Chair of its "Investigative Function of the Prosecutor" and member of its "Prosecutor and Defense Function" Task Forces. He is currently the Chair of the Fair Trial, Free Press Task Force and is a member of the newly designated ad hoc task force to develop guidelines on the appointment and work of corporate monitors.

Mr. Goldstock is a member of the Board of Directors of the New York Convention ("Javits") Center Operating Corporation where he chaired the Governance and Audit Committees, a member of the Hills Governance Program Academic Council, and was a member of the Advisory Board of Project Rise of the International Brotherhood of Teamsters. He serves as a referee for the NYS Commission on Judicial Conduct, has lectured, consulted, written, and testified as an expert witness on subjects related to organized and white-collar crime, the inspector general program, the prosecution function, corruption, labor racketeering, money laundering and compliance programs, the carting, waterfront, and construction industries, privatization of criminal justice, and corporate integrity. He recently served as the advisor to the Secretary of State for Northern Ireland on matters relating to international organized crime.

MEMORANDUM

To: City of Detroit Charter Revision Commission

Executive Director, Gregory Hicks

From: Lamont D. Satchel, Esq.

Date: May 20, 2010

RE: Charter History of Auditor General

1918 Charter

The 1918 Detroit Charter as originally adopted did not include the position of Auditor General. In fact, it was not until almost two decades later that the office of Auditor General was added to the 1918 Charter through amendment. The duties and powers of the Auditor General included, in substantial part:

1. An audit of the financial transactions of all city departments, boards and commissions at least once yearly, with a report thereof to be given to the city council and mayor. Title 4, Ch. 27, §7(a).
2. Soon after the close of the fiscal year the Auditor General was required to make a report of the financial position of the city. Title 4, Ch. 27, §7(b).
3. Provide reports of irregularities of practice and erroneous accounting methods to the treasurer, controller and other departments, boards and commissions, with recommendations for improving the accounting procedures and systems of the various city departments. Title 4, Ch. 27, §7(c).
4. Investigate the operation and administration of any city department at the request of the city council or mayor. Title 4, Ch. 27, §7(d).
5. Conduct, at least once in five years, through an independent firm of certified public accountants, an audit of the financial and cash transactions of the city and its various departments. Title 4, Ch. 27, §7(e).
6. Provide the city controller any information in his (Auditor General) possession in preparation of the annual budget estimates of the city. Title 4, Ch. 27, §7(f).
7. Provide the same services as listed above for the Detroit Board of Education, at their request. Title 4, Ch. 27, §7(g).

1974 Charter

Almost four (4) decades later the 1974 Charter made substantive changes to the Auditor General provision in the charter, as listed below:

1. The Auditor General was appointed by a simple majority of the city council instead of a 2/3 majority vote. Art. 4, Ch. 2, §4-201.
2. Instead of annual audits of city agencies, the audits were to occur every two (2) years. Art. 4, Ch. 2, §4-205(1).
3. The Auditor General could self-initiate a management audit, where before it could only be done by request of the mayor or city council. Art. 4, Ch. 2, §4-205(4).
4. Both the city council and mayor were divested of their power to implement audit finding recommendations of the Auditor General were the audited department refused to implement the recommendations. Art. 4, Ch. 2, §4-205(5).
5. The city council was relieved from the non-legislative function of deciding claims for or against the city, by shifting this quasi-judicial function to the Auditor General. Art. 4, Ch. 2, §4-205(7).
6. The provision requiring Auditor General to provide its services to the Detroit Board of Education is not included in the 1974 Charter. However, the historical documents provided by the city archives does not make clear whether it was removed by amendment prior to the adoption of the 1974 Charter.

1997 Charter

The current Charter makes a few substantive changes. First, it requires that both the Auditor General and Deputy Auditor General be certified public accountants. Art. 4, Ch. 2, §4-201 and §4-202, respectively. Second, it provides for cooperation and disclosure by city agencies. Art. 4, Ch. 2, §4-205(4). Lastly, it gives the Auditor General the same investigatory powers provided the Ombudsperson, including subpoena power, administration of oaths, taking of testimony, require production of relevant evidence and the power to enter and inspect city agencies during business hours. Art. 4, Ch. 2, §4-205(4).

Executive Director / General Counsel Report
May 25, 2010

2009 Detroit Charter Revision Commission Executive Director's Report: For May 25, 2010 Full Commission Meeting

Please note the following summary and action items for consideration by the Commission:

1) Follow-up – RFP Audio / Visual Services.

Summary: At the last Charter Revision Commission the Commission approved the Commission's RFP for audio / visual services. The Commission ordered and changes were made to three sections of the RFP. A provision was added for Detroit based business enterprises and the timeline for receipt and evaluation of the RFP was modified to conform to the Commission timetable. The Commission also asked for clarification on the language in the RFP related to "living wage". After investigation into the recent court ruling that disallowed the living wage provisions in city contracts, the section on living wage was removed. The RFP was released on Wednesday, May 12, 2010. The RFP was posted on the city's website and copies of the RFP were mailed to vendors who have requested copies of the above.

Informational items: (a) Information only; the deadline for the return of the RFP is May 28, 2010 at 4:00 PM to the Commission Office, 32nd Floor, Cadillac Tower Building, 65 Cadillac Square, Detroit, MI 48226.

2) Detroit City Council Budget Hearing

Summary: The City Council has returned the Budget for Fiscal 2010-2011 to the Mayor. The recommended allocation for the Charter Commission, by the City Council is \$500,000. The Commission is currently encouraging an allocation consistent with the Mayor's recommendation of \$750,000.

Informational items: (a) Information only; staff is expected to present a revised spending plan to the Commission (Budget Committee) following the end of the city's budgetary process.

3) Surplus Equipment (refurbished – WSU, new Council member Brown)

Summary: To control expenditures, Commission staff has sought alternatives to the purchase of new equipment for the office. We are happy to report that Wayne State University has provided 12 refurbished computers at a reduced cost of \$1,000.00. The equipment was picked up from WSU last week and installation is currently underway in the office. Commission Chair and staff would like to note the cooperation of Harvey Hollis, Vice President, WSU and Victor Green, WSU for their cooperation in securing the equipment. Additional chairs and tables yet to be delivered to the Commission are also included in the \$1,000.00 cost. The equipment and furniture are from surplus inventories at WSU.

Informational items: (a) Information only; The Commission is awaiting an invoice from WSU on the above.

4) Expected report on Office Space and request for Office Committee Meeting

Summary: Commission staff is gathering information on available space and associated costs for the Commission's office after the current fiscal year. Expect a report on the above in the near future. Staff is requesting that the members of the Office Space Committee be polled for a meeting to consider the report within the next two weeks. Staff would like to acknowledge the work of Simone Lightfoot for volunteering time and effort to develop the report.

Informational items: (a) Information only; Staff requests a meeting of the Office Space Committee to consider the information in the report.

5) Security badges and access to the Coleman A. Young Municipal Center

Summary: Staff has completed the process of securing security badges for member of the Commission.

Informational items: Please see attached to your package a letter that will enable Commission to obtain security badges. The letter and photographic identification must be taken to the security office in CAYMC during designated hours. Staff transmitted to each Commission an e-mail on the above.

6) Press Announcement for May 25, 2010 Presentation on the advantages of creating an Office of the Inspector General and speaker Ronald Goldstock, Esq.

Informational Items: (a) Information only; Mr. Goldstock is expected to provide the Commission with costs associated with his travel and accommodations from New York City to Detroit for reimbursement. An accounting of Mr. Goldstock's travel will be part of a subsequent financial report to the Budget Committee.

7) Establishment of the Outside Bank Account for the Commission

Summary: The Commission authorized the establishment of an outside bank account for revenues and expenses of the Commission. The Detroit City Treasurer has authorized and set up a regular checking account at Chase Bank for the Commission. Staff has recently requested the Budget Department to transfer funds allocated to the Commission to the above account, less any outstanding obligations currently in process for payment by the city. A resolution requesting the transfer of our allocation for FY:2009-2010 is in route to the City Council.

Informational Items: (a) Information only.

(8) Publication of 6 month Commission Report

Summary: The report will discuss the progress of the Commission. Commissioners have been asked for brief biographical sketches for inclusion into the publication. The publication will be released electronically and a print version will follow. Commissioners are also asked to submit e-mail addresses of individuals and organizations to be placed on the communications list.

Informational items: Please submit the requested information as soon as possible.

(9) Proposed Calendar of Commission Subject Expert / Meetings

Summary: The Commission will soon complete its scheduled subject expert meetings. The proposed schedule for future meetings is outlined in the attached table. Additional information will be provided to the public as plans are finalized.

Informational items: No action requested; please see table below.

Date	Topic	Location	Subject Expert
25-May	Inspector General	Motor City Block Busters 17405 Lasher	Ronald Goldstock
8-Jun	Executive Departments/ Corporation Counsel and other appointed officials	Detroit Regional Chamber of Commerce 1 Woodward Ave, 19th Floor	
22-Jun	Removal of Office of Elected and appointed Officials	Butzel Center 7707 Kercheval 48234	Goodman/Dillard
13-Jul	Executive Departments/ Police /Fire Commissions	Delta Sigma Theta Sorority W. 7 Mile / Grand River	
27-Jul	Economic Development & Planning	WCCCD - Eastside ?	
10-Aug	Privatization	Kemeny Center ?	

Press Announcement

**City of Detroit, Charter Revision Commission (2009)
32nd Floor, Cadillac Tower Building
Detroit, Michigan 48226**

2009 Charter Revision Commission: Officers Freman Hendrix, Chairman, Jenice Mitchell Ford, Vice Chair,
Members: Cara J. Blount, Ken Coleman, Reggie Reg Davis, Ken Harris, Teola P. Hunter, John Johnson, Rose Mary C. Robinson
Staff: Gregory Hicks, Executive Director, Lamont Satchel, General Counsel

**Press Release – Detroit Charter Revision Commission
The Advantages of Creating an Office of the Inspector General
by Combining the Roles of the City’s Ethics Commission,
Ombudsman and Auditor General
Tuesday, May 25, 2010 at 6:00 P.M. at Motor City Blight Busters,
17405 Lahser Detroit, MI. 48219**

Immediate Release
May 20, 2010

Contact: Gregory Hicks
313-628-2517

Over the last few years, many citizens have criticized the operation of city government for having a disjointed and uncoordinated array of agencies designed to encourage transparency and accountability. For some, a critique of the City Charter shows an ineffectual array of public offices that are unable to establish policies and enforce critical standards to encourage transparency and accountability. Should we eliminate or combine the functions of the investigative agencies in local government? Should Offices like the Auditor General, the Ombudsman and the Ethics Commission be reorganized and given the powers to immediately remove public officials from office? Are the investigate tools and techniques for such a major undertaking sufficient in scope and resources to protect the interests of the citizenry?

The Detroit Charter Revision Commission will host an informational discussion on how Detroit’s City Charter might proscribe the role and responsibilities of a new Office of the Inspector General. The Commission will hear from subject expert Ronald Goldstock. Mr. Goldstock is the head of Independent Private-Sector Inspector General (IPSIG). IPSIG provides consultation services on the role and function of investigative arms for top flight corporate clients, unions, and individual clients like local government. Mr. Goldstock is

an attorney and has served as the New York State Commissioner of the Waterfront Commission of New York Harbor.

Under his leadership, the Organized Crime Task Force became a model agency for the control of organized and white collar crime, playing critical roles in the *Cosa Nostra* Commission, Lucchese and Gambino Family prosecutions, Cali Cartel drug and money laundering cases, and producing highly acclaimed analytic reports on corruption and racketeering in the construction and carting industries. As Director of the Task Force, Mr. Goldstock designed and developed the IPSIG Program.

Mr. Goldstock, a graduate of Cornell University (A.B. 1966) and Harvard Law School (J.D. 1969), has served as Inspector General of the U.S. Department of Labor, Director of the Cornell Institute on Organized Crime, and Chief of the Rackets Bureau in the New York County District Attorney's office. He is currently on the faculties of the Cornell, Columbia and New York University Law Schools and, in the past, has taught in the undergraduate, graduate, and law schools of other colleges and universities.

The Charter Revision Commission is interested in understanding “best practices” and the experiences of local government on the need for and operation of Charter enabled investigative strategies to eliminate corruption and encourage transparency and accountability in government. As we mark the recent round of public officials who have been forced from office for corruption, the Commission is equally concerned with the business environment that permits “pay to play” in our city. What type of public discussion must take place between government and our stakeholders in business, religious organizations, education, community and civic organizations in order to modify government corruption and encourage good and effective corporate citizenship?

The presentation and discussion will take place as part of the Commission’s meeting on **Tuesday, May 25, 2010 at 6:00 P.M. at the offices of the Motor City Blight Busters, 17405 Lahser Detroit, Michigan 48219.**

Mr. Goldstock will present his observations and research data on the elements to create an effective Inspector General for Detroit. After presentations, the members of the Charter Commission will ask questions on the presentations or topics related to the Charter revision process. Following the exchange between Commissioners and Mr. Goldstock, the Commission will open the floor for public comments. If you have questions, please contact Gregory Hicks, Executive Director, Detroit Charter Revision Commission at 313-628-2517.

-end

CITY OF DETROIT CHARTER COMMISSION
Office Committee Report
May 25, 2010

(No Report)

CITY OF DETROIT CHARTER COMMISSION
Personnel Committee Report
May 25, 2010

CITY OF DETROIT CHARTER COMMISSION
Personnel/Committee Report
Submit Date: May 21, 2010

Committee: Personnel Committee (staff draft, in lieu of report)

Committee Chair: Cara J. Blount

Members: Freman Hendrix, John Johnson, Jenice Mitchell Ford

Meeting Date: Scheduled for May 5th and 15th, 2010
Northwest Activities Center – Room #1

Meeting Time: May 5th: 12: Noon to 5:00 PM 12:00 Noon – 5:00 P.M.
May 15th: 9:00 A.M. to 5:00 P.M.

Attendees: Chairperson Commissioner Cara Blount, Commission John Johnson,
Commissioner Freman Hendrix, Commissioner Jenice Mitchell Ford,
Gregory Hicks and Lamont Satchel

Next Meeting: Saturday, June 5, 2010 @10:00 A.M. Northwest Activities Center

Action Item(s) In Report

- The PAC scheduled interviews for more than 29 applicants. 23 interviews were held on May 5 & 15, 2010 and 6 applicants will be called back for interviews on Saturday, June 5, 2010.
- Upon completion of the process, the PAC will bring forth the contract for the AA finalist per the April 13th approved report & recommendations.

Action Requested of the Full Commission: Motion to accept this report

CITY OF DETROIT CHARTER COMMISSION
Rules and Structure Committee Report
May 25, 2010

No Report

CITY OF DETROIT CHARTER COMMISSION
Budget Committee Report
May 25, 2010

